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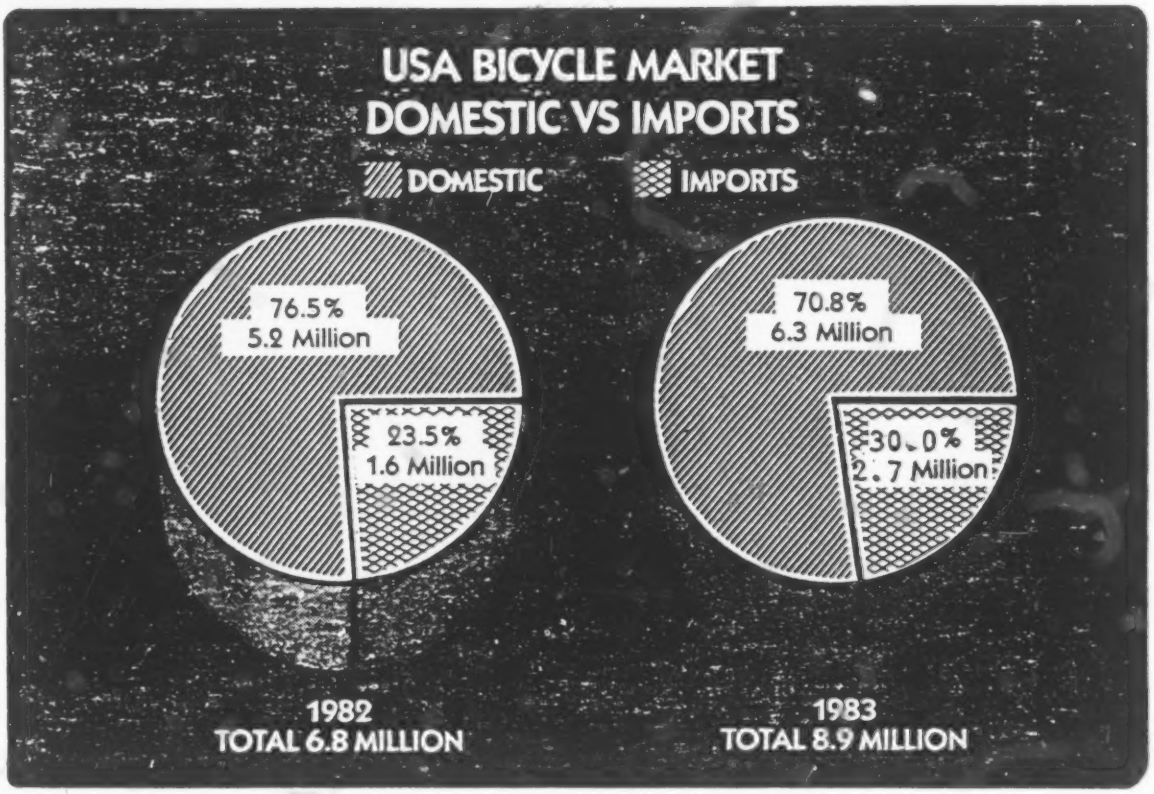
1

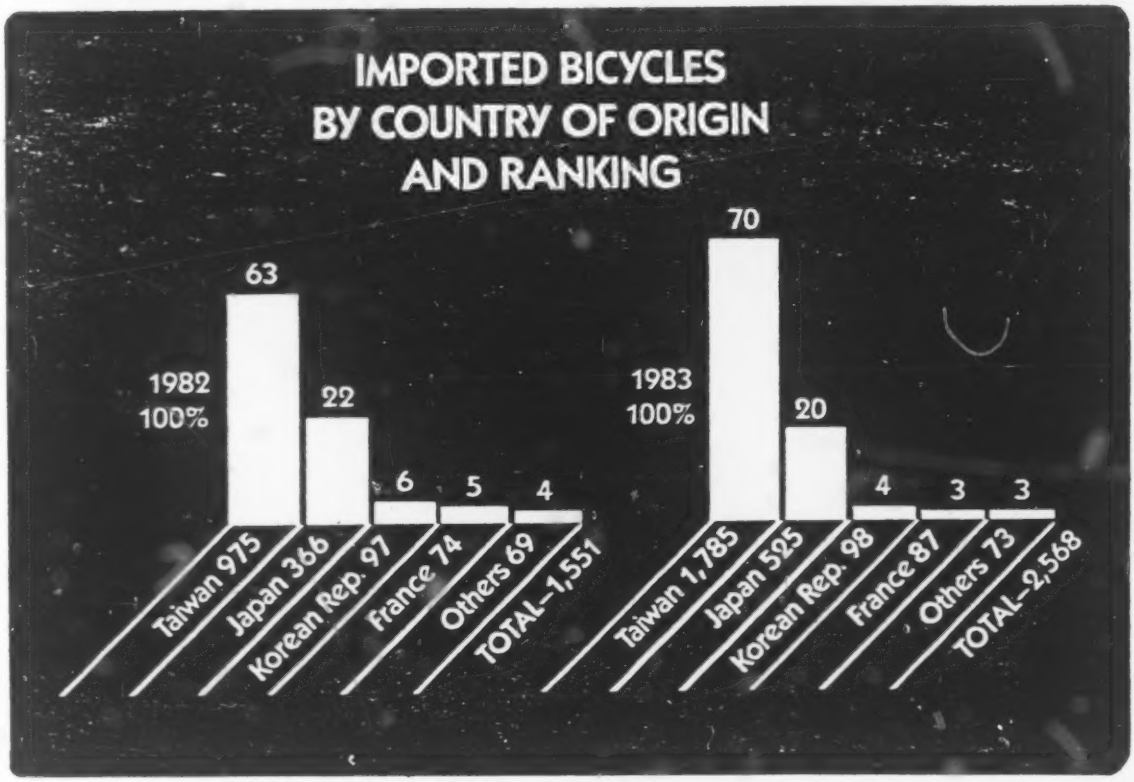


2

A STRONG ECONOMY AND INCREASED MARKETING AND MERCHANDISING EFFORTS COMBINED TO BOOST 1983 BICYCLE SALES TO 9.Ø MILLION UNITS IN 1983, UP FROM 6.8 MILLION IN 1982.

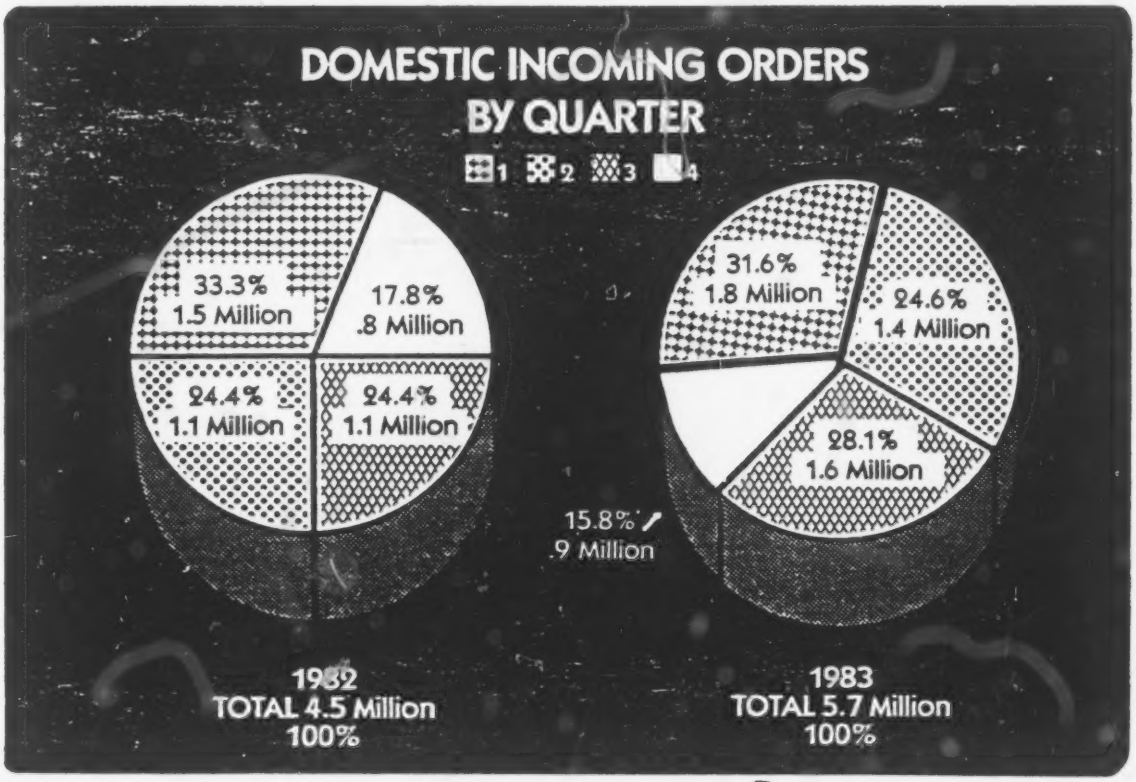
SIGNIFICANTLY, HOWEVER, IMPORTS AT 2.7 MILLION BIKES, INCREASED THEIR MARKET SHARE FROM 24% IN 1982 TO 3Ø% IN 1983.

THE SUMMER OLYMPICS IN LOS ANGELES, AGGRESSIVE MARKETING BY THE INDUSTRY, AND A STRONG PR PROGRAM BY THE BMA SHOULD HELP BOOST SALES IN 1984 TO CLOSE TO 9.8 MILLION UNITS.



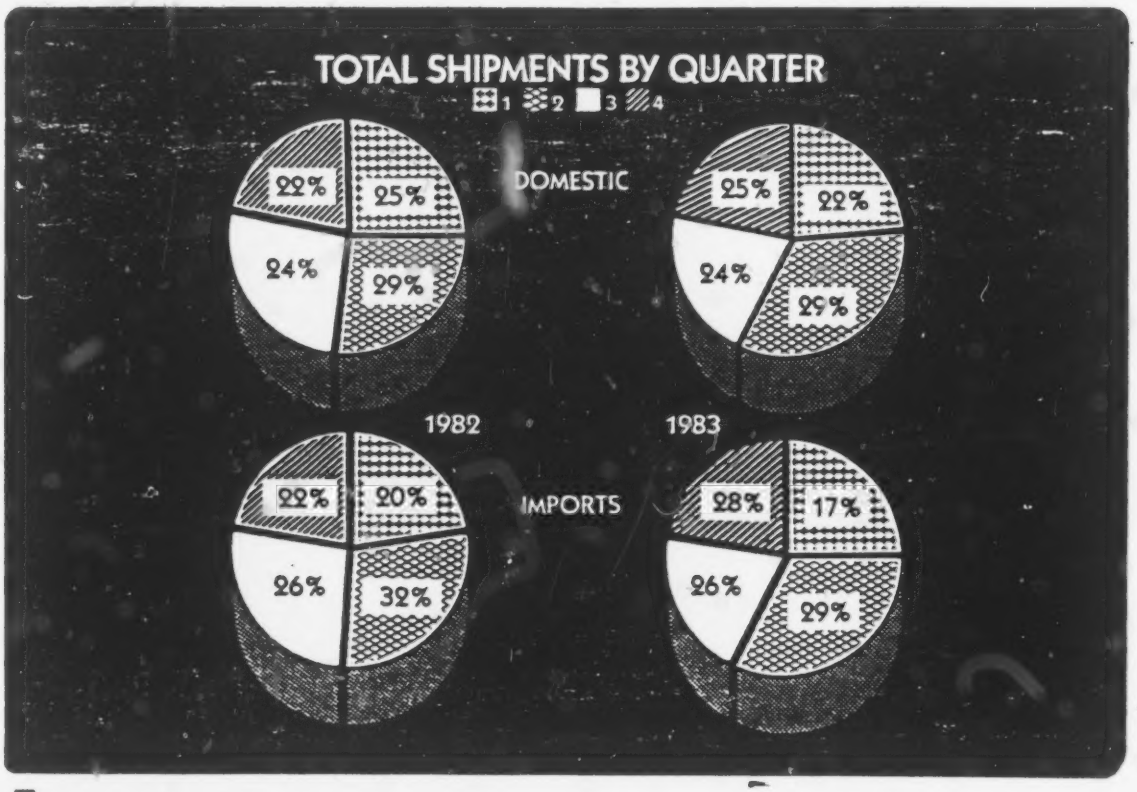
3

ONCE AGAIN, TAIWAN CONTINUES TO GAIN AN INCREASING SHARE OF THE U.S. IMPORT MARKET. AN ESTIMATED 1.8 MILLION TAIWANESE BIKES ENTERED THE US MARKET PLACE IN 1983, ACCOUNTING FOR 70% OF ALL IMPORTS, UP FROM 63% IN 1982. JAPAN WAS A DISTANT SECOND WITH A 20% SHARE OF THE TOTAL IMPORT MARKET, WITH KOREA, FRANCE AND ALL OTHER COUNTRIES MAKING UP THE FINAL 10%.



4

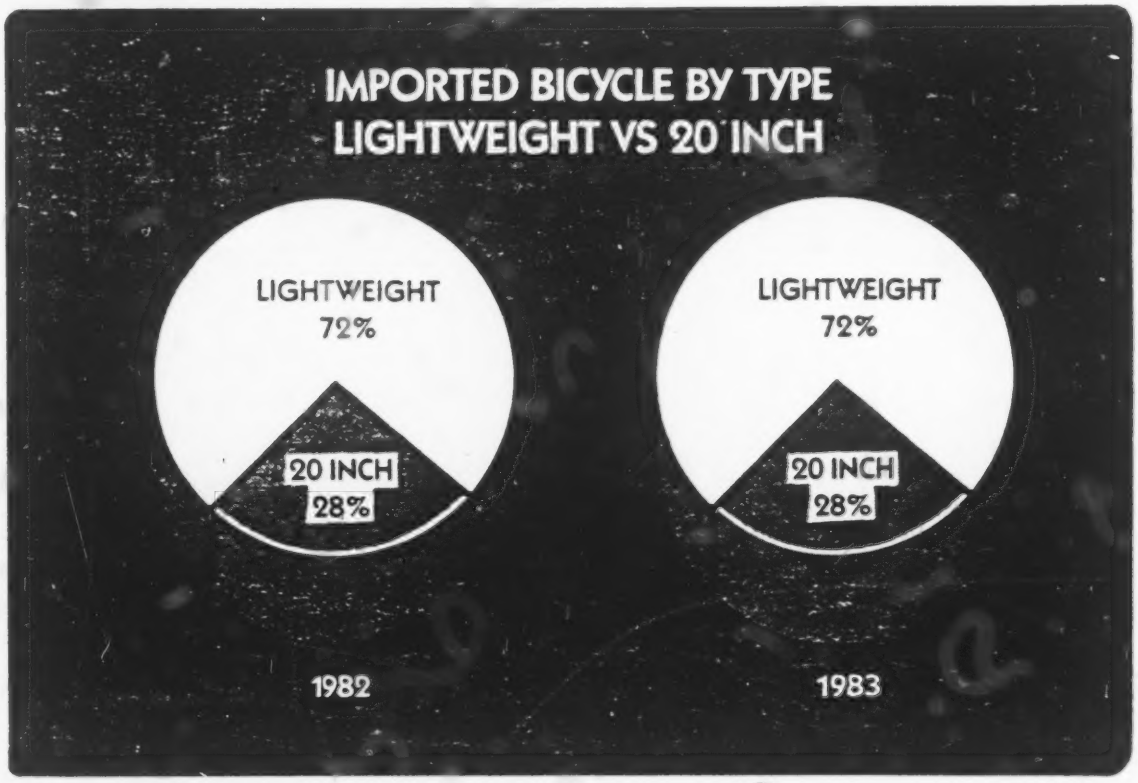
WHILE FIRST AND FOURTH QUARTER INCOMING ORDERS REMAINED STRONG, SECOND AND THIRD QUARTER ORDER PATTERNS PICKED UP A FEW PERCENTAGE POINTS, INDICATING THAT ORDERING BICYCLES IS PRETTY MUCH A 4- SEASON OPERATION.



5

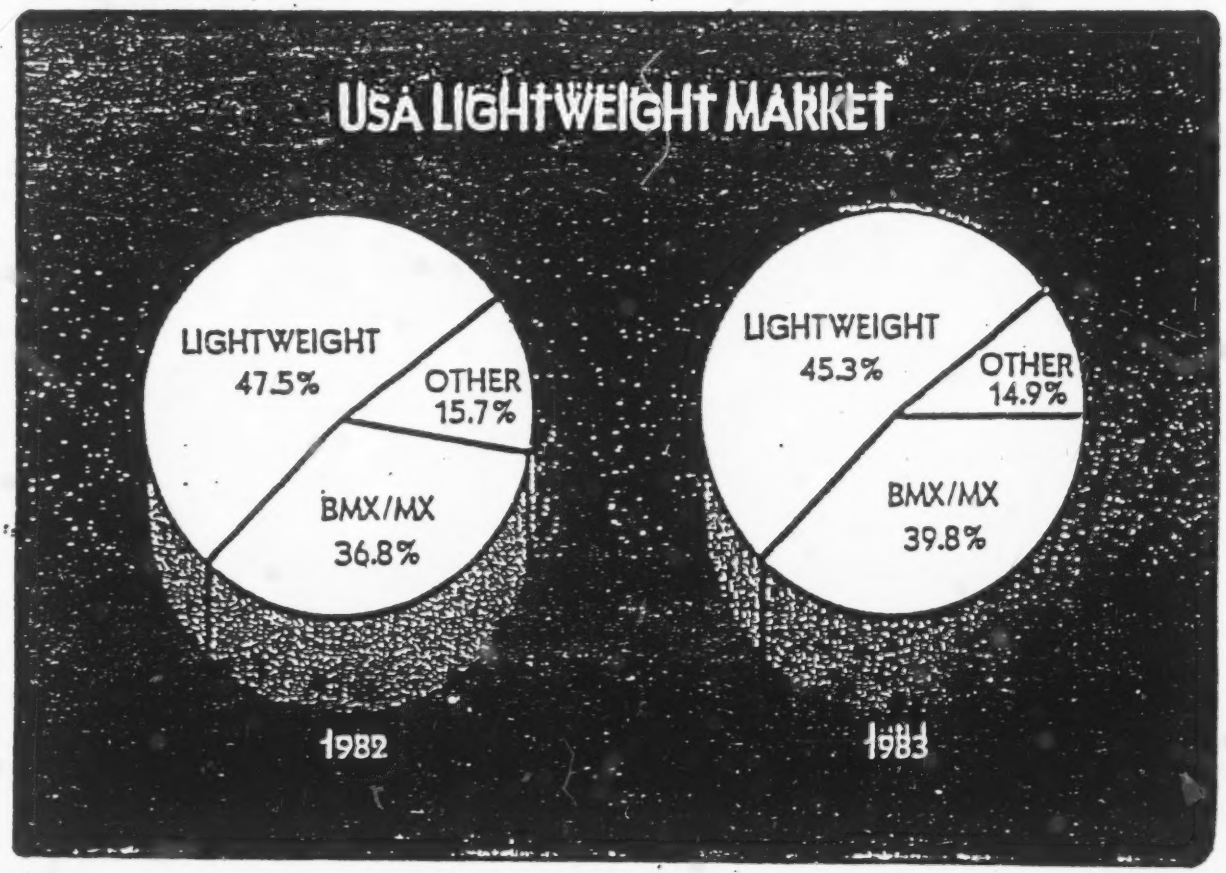
THE DOMESTIC SHIPMENT PATTERN BY QUARTER REMAINED FAIRLY CONSISTENT WITH LAST YEAR. FIRST QUARTER SHIPMENTS WERE 22% AGAINST 25% IN 1982; SECOND QUARTER STAYED AT ABOUT 28%, THIRD QUARTER, LEVEL AT 24%, WITH FOURTH QUARTER SHIPMENTS INCREASED TO ABOUT 25%.

WHILE IMPORTS FELL OFF A POINT OR TWO IN THE FIRST QUARTER AGAINST THEIR OWN PERCENTAGE IN 1982, THEY WERE MUCH STRONGER IN THE SECOND, THIRD AND FOURTH QUARTERS.



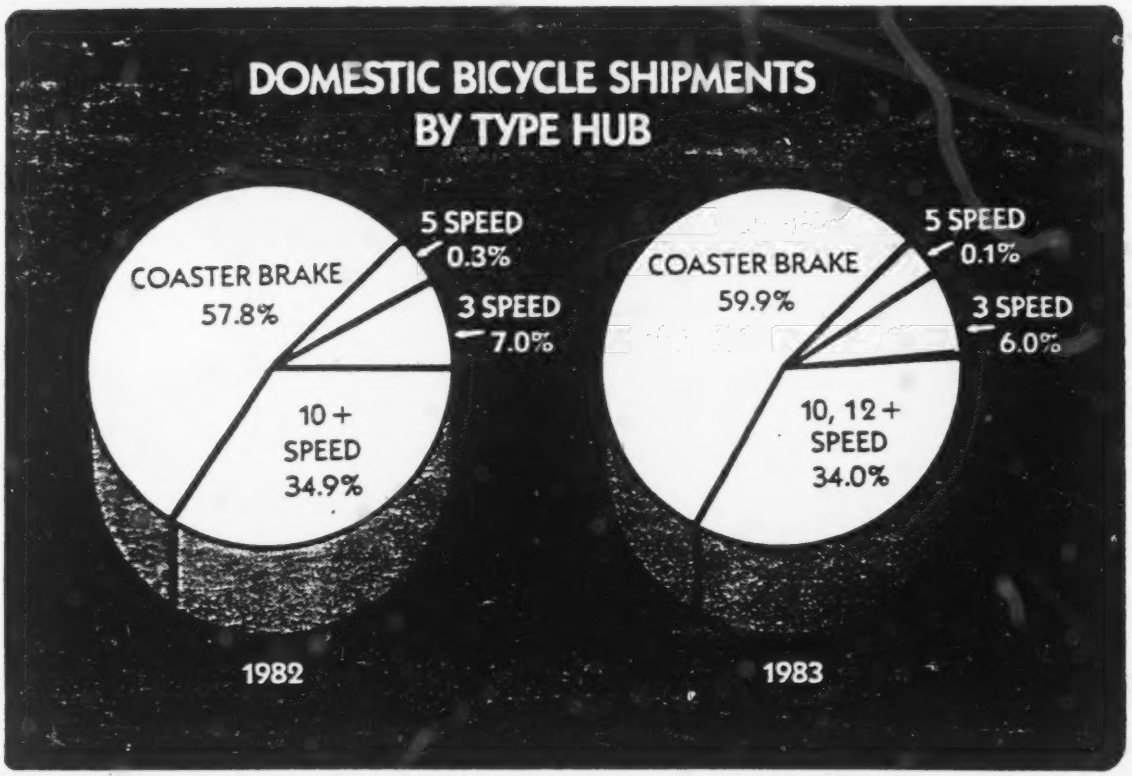
6

THERE WAS VIRTUALLY NO CHANGE IN THIS CATEGORY, WITH LIGHTWEIGHTS REMAINING AT ABOUT 72% OF IMPORT TOTALS, AND 20 INCH GOODS REMAINING AT 23%.



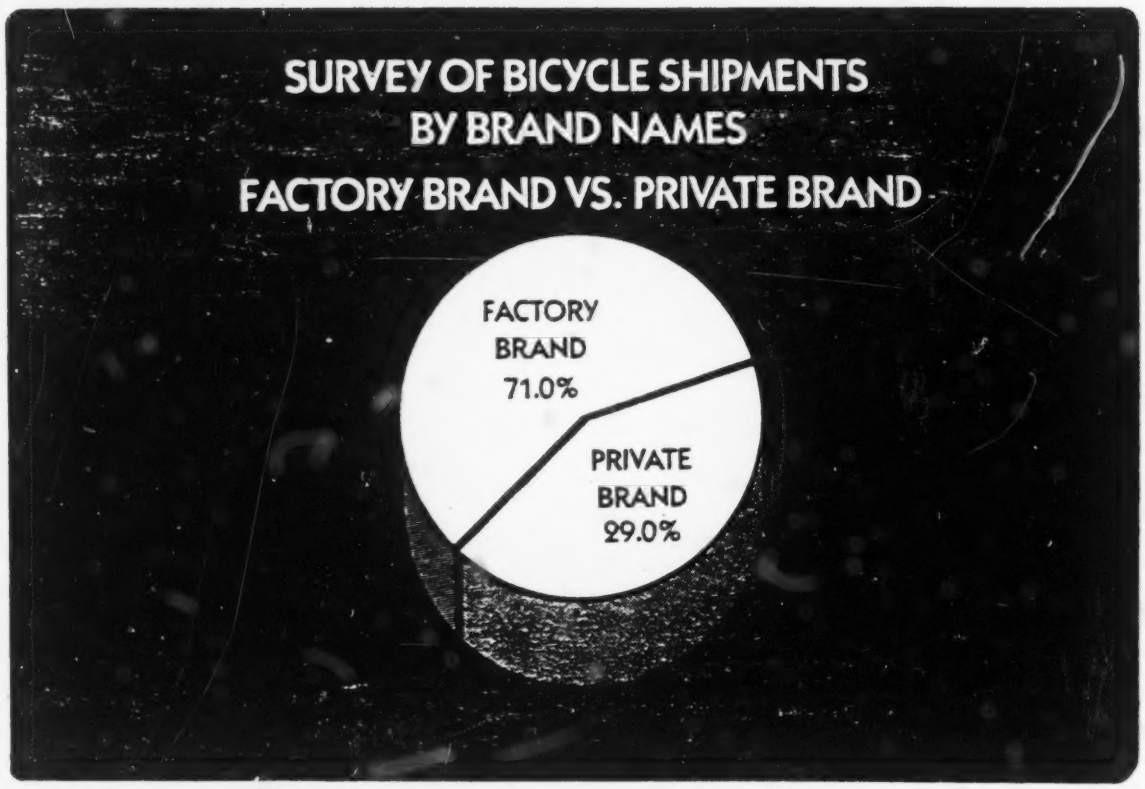
7

LIGHTWEIGHTS, WHILE STILL THE BACKBONE OF THE MARKET, DROPPED FROM 48% TO 45% OF THE MARKET IN 1983, WITH BMX RISING FROM 37% TO NEARLY 40%, AND "OTHER" CATEGORIES REMAINING ESSENTIALLY THE SAME.



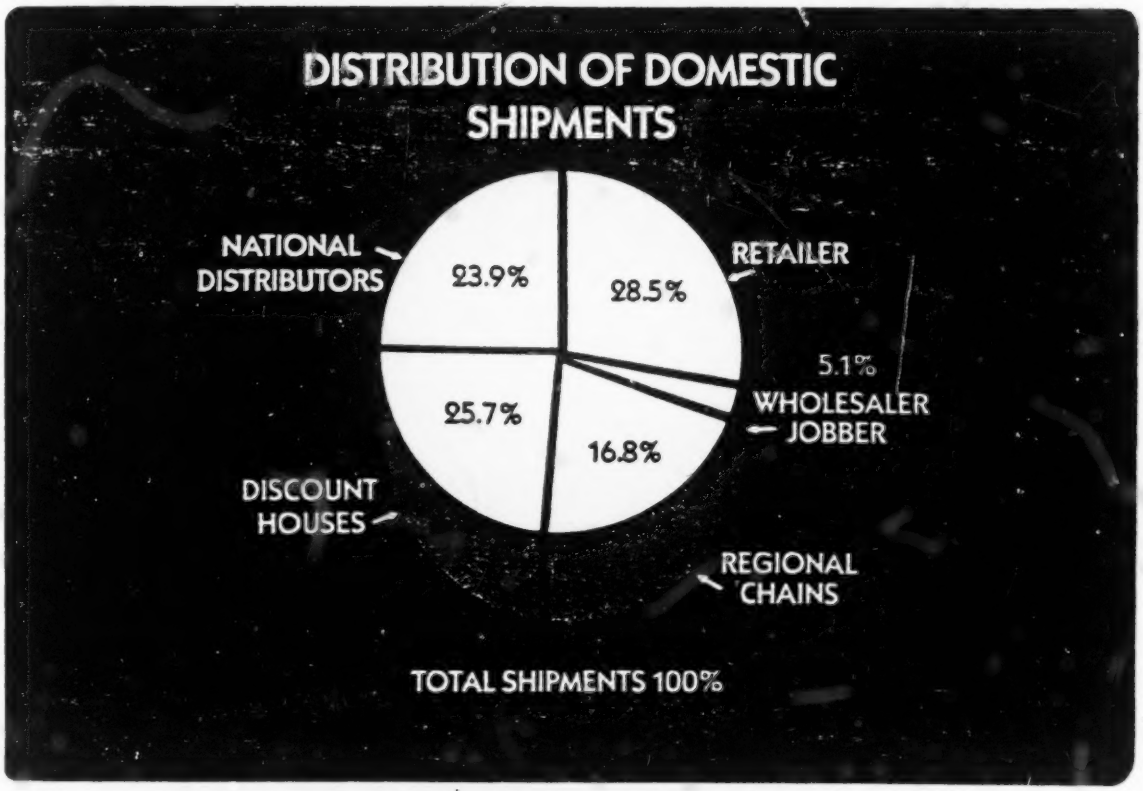
8

DOMESTIC SHIPMENTS BY HUB TYPE ARE VIRTUALLY UNCHANGED. COASTER BRAKE MODELS ARE THE MOST SOLID FAVORITE WITH NEARLY 60% OF SHIPMENTS, 10, 12 AND OTHER DERAILLEUR MODELS GOING FROM 34.9% TO 34%, WITH 5 AND 3 SPEED MODELS LOSING FURTHER GROUND.



9

THE PATTERN OF RECENT YEARS SEEMS TO BE CONTINUING, WITH PRIVATE LABEL BUSINESS DECLINING IN FAVOR OF FACTORY BRAND GOODS, A 2% SWING IN FAVOR OF FACTORY BRAND OVER 1982.



10

USING DEFINITIONS AGREED UPON BY THE INDUSTRY, THE DISTRIBUTION OF DOMESTIC SHIPMENTS BY CLASSIFICATION OF ACCOUNTS FOR 1983 WAS AS FOLLOWS:

RETAILER:	28.5%, DOWN FROM 30.7%
JOBBER:	5.1%, UP FROM 4.1%
REGIONAL CHAINS	16.8%, DOWN FROM 17.2%
DISCOUNT HOUSES	25.7%, UP FROM 22.8%
NATIONAL DISTRIBS.	23.9%, DOWN FROM 25.2%

66.4% OF SHIPMENTS FROM 5 DOMESTIC MANUFACTURERS WENT TO NATIONAL DISTRIBUTORS, DISCOUNT HOUSES, AND REGIONAL CHAINS.